



DEPARTMENT OF CONSERVATION

DIVISION OF RECYCLING

INDUSTRY SERVICES BRANCH

801 K STREET • MS 15-29 • SACRAMENTO, CALIFORNIA 95814

PHONE 916 / 327-7361 • FAX 916 / 327-2787 • TDD 916 / 324-2555 • WEBSITE conservation.ca.gov

October 18, 2006

IMPORTANT NOTICE!

TO: Beverage Manufacturers And Distributors

SUBJECT: Reporting And Payment Changes As A Result Of Assembly Bill 3056

The purpose of this notice is to summarize recent changes to the California Beverage Container Recycling and Litter Reduction Act as a result of the enactment of AB3056 (Chapter 907, Statutes of 2006).

Effective October 1, 2006 (October 2006 reporting period), the administrative fee (admin fee) has increased from 1% to 1.5%. All distributors should now subtract and retain 1.5% of the California Redemption Value (CRV) reported on the Distributor Report (DR-3) beginning with sales in October 2006. Annual reporters for 2006 should submit at least two (2) DR-3 forms. The first form should report sales from January through September 2006 subtracting a 1% admin fee and the second form should report sales from October through December 2006 subtracting a 1.5% admin fee. Please continue to use the forms you currently have (cross out the 1% and write in 1.5%) until your supply is depleted. You may order additional DR-3 forms from IKON Office Solutions by phone at (916) 852-1010 or by fax at (916) 638-0909.

Effective January 1, 2007 through December 31, 2007 (January 2007 through December 2007 reporting periods), the processing fee payments to the Department of Conservation (Department) for container types with a recycling rate of at least 40 percent will be reduced to zero. This means that processing fee payments to the Department for glass, plastic #1 (PET), and plastic #2 (HDPE) will be reduced to zero. Beverage manufacturers will still be required to report their container counts and sales for beverages sold in these material types on the Beverage Manufacturer Report (DR-4) although no processing fee payments will be collected for these material types during this time. For all other material types (plastic #3 (PVC), plastic #4 (LDPE), plastic #5 (PP), plastic #6 (PS), plastic #7 (other) and bi-metal) manufacturers are required to report and pay processing fees. Beverage manufacturers with missing reports, unpaid liabilities, and/or interest owed for sales prior to 2007 are required to report and submit payments for these delinquencies. A notice providing you with the 2007 processing fees will be available December 2006.

Effective January 1, 2007, the amount of CRV paid out by recycling centers to consumers will increase to 5¢ for beverage containers less than 24 ounces and 10¢ for beverage containers 24 ounces or more. The CRV redemption payments paid by distributors will remain at 4¢ and 8¢ through June 30, 2007.

The Department is planning to hold informational workshops for beverage manufacturers and distributors in February 2007. Details regarding the workshops will be sent to all participants in December 2006.

If you have any questions regarding this notice, or specific questions regarding payments or reporting requirements, please contact the Department at 1-800-RECYCLE or 916-327-7361 and ask to speak to your Account Representative with the Client Services Section. To find more information on this and other notices, please visit the Department's website at www.conservation.ca.gov.

Sincerely,

Chuck Seidler
Acting Assistant Director
for Recycling